



## **CITY OF HAYWARD**

### **AGENDA REPORT**

AGENDA DATE 02/01/00

AGENDA ITEM 3

WORK SESSION ITEM \_\_\_\_\_

**TO:** Redevelopment Agency Board

**FROM:** Director of Community and Economic Development

**SUBJECT:** Authorization for Agency's Executive Director to Execute Professional Services Contracts for Leasing and for Property Management at the B Street Marketplace

#### **RECOMMENDATION:**

It is recommended that the Redevelopment Agency Board adopt the attached resolution, authorizing the Executive Director to execute two agreements with Shelter Bay Retail Group for leasing and property management services at the B Street Marketplace.

#### **BACKGROUND:**

At its meeting of November 24, 1998, the Redevelopment Agency Board authorized an agreement for Pacific Realty Holdings, Inc., to provide leasing and property management services for newly-constructed B Street Marketplace. As a result of their leasing activities, two leases were executed. One tenant, Mailboxes, Etc., opened in early November. The second, Los Comalitos, a Salvadoran/Mexican restaurant, recently began their interior improvements, and anticipates opening for business in March. Leased areas total about 3,400 square feet, or about 28% of the approximate 12,000 square foot leaseable area in the building.

In early November, Pacific Realty Holdings informed the Agency of its intention to cease all business operations as of November 30, 1999. In mid-November, Agency staff issued requests for proposals to seven commercial property management and/or retail-leasing firms. These ranged from locally-based independent providers to companies that operate nationwide. Three firms submitted credentials and proposed business terms for their services. Staff scrutinized the proposals with a particular eye towards commercial property management experience and, especially, the firm's ability to effectively attract appropriate retail and restaurant tenants to the remaining available space.

The proposal submitted by Mill Valley-based Shelter Bay Retail Group was determined to be superior to the others reviewed. Shelter Bay's expertise combines a large portfolio of contemporary retail/commercial property under its management, and well-established relationships with tenant prospects and the brokerage community. The firm's management and leasing portfolio includes thirty-one commercial properties with approximately 4.8 million square feet of leaseable space.

Locally, Shelter Bay is the management and leasing agent for the Jackson Square retail center at Amador and Jackson streets. In October, 1998, the City Council gave this center its "Business Recognition Award" to acknowledge the significant improvements made to the property by its ownership, who retained Shelter Bay to engineer the property's turn-around.

Although Shelter Bay will be compensated for both property management and leasing functions, the rate of compensation differs depending on the function performed. Under the agreement, Shelter Bay will receive a fixed amount of \$20,000 for managing the property. With regard to leasing duties, Shelter Bay's compensation is performance-based and tied directly to executed leases and associated rent schedules. It is estimated the leasing functions will cost approximately \$53,000, when the building is fully leased. Overall, Shelter Bay's proposal is competitive and the company is ready and able to provide the necessary services to fully lease the building as soon as possible.

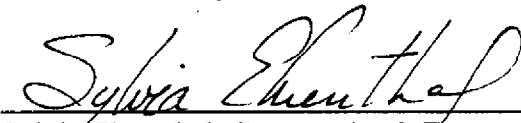
Staff recommends that the Agency Board adopt the attached resolution authorizing the Executive Director to execute a property management agreement and a leasing agreement with the Shelter Bay Retail Group for the Agency-owned B Street Marketplace.

Prepared by:



Maret Bartlett, Redevelopment Director

Recommended by:



Sylvia Ehrenthal, Community & Economic Development Director

Approved by:



Jesús Armas, City Manager

**DRAFT**

Sm 1-31-00

**REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD**

**RESOLUTION NO. RA \_\_\_\_\_**

**Introduced by Agency Member \_\_\_\_\_**

**RESOLUTION AUTHORIZING THE EXECUTIVE  
DIRECTOR TO NEGOTIATE AND EXECUTE AN  
AGREEMENT TO PROVIDE PROPERTY MANAGEMENT  
SERVICES AND TENANT LEASE AGREEMENTS FOR THE  
RETAIL SPACE AT THE B STREET MARKETPLACE**

WHEREAS, in early November, 1999, Pacific Realty Holdings, the previous property management company for the B Street Marketplace informed the Agency of its intention to cease all business operations as of November 30, 1999; and

WHEREAS, in mid-November Agency staff issued requests for proposals to seven commercial property management and/or retail-leasing firms ranging from locally-based independent providers to companies that operate nationwide.

NOW THEREFORE, BE IT RESOLVED, by the Redevelopment Agency of the City of Hayward that the Executive Director is hereby authorized and directed to negotiate and execute an agreement on behalf of the City of Hayward with Shelter Bay Retail Group, for property management and leasing services for the Agency owned retail space at the B Street Marketplace, located at "B" and Watkins Streets.

BE IT FURTHER RESOLVED, by the Redevelopment Agency of the City of Hayward that the Executive Director is authorized and directed to negotiate and execute any and all tenant lease agreements for the retail space at the B Street Marketplace, located at "B" and Watkins Streets.

HAYWARD, CALIFORNIA \_\_\_\_\_, 2000

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: \_\_\_\_\_  
Secretary of the Redevelopment Agency  
of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel